

**IN THE UNITED STATES DISTRICT COURT FOR
THE EASTERN DISTRICT OF VIRGINIA
NORFOLK DIVISION**

Latasha Holloway, *et al.*,

Plaintiffs,

v.

City of Virginia Beach, *et al.*,

Defendants

Civil Action No. 2:18-cv-0069

**PLAINTIFFS' BRIEF IN OPPOSITION TO DEFENDANTS' MOTION FOR
SUMMARY JUDGMENT**

PLAINTIFFS' EXHIBIT 23

February 2017 News Articles re: Minority Community Support for the City to
Conduct a Disparity Study (DEF07724-07725)

From: Anna Kristina A. Alfaro
To: City Manager; Constitutional Officers and Appointed Officials; Department Directors; Communications Network; Executive Assistants
Subject: VB City Clips - February 22, 2017
Date: Wednesday, February 22, 2017 10:39:16 AM

Cavalier developers get green light for another \$6.5M to build 3rd hotel on Virginia Beach Oceanfront

The Virginian-Pilot – February 21, 2017

The developers of the Cavalier property are on their way to borrowing more money to build a third hotel at the Oceanfront – as long as the project gets help from the city and state. The Virginia Beach Development Authority gave the green light Tuesday morning for the development group, including Bruce Thompson, to borrow an extra \$6.5 million – on top of \$18 million to restore the Cavalier Hotel and to build a Marriott across 42nd Street on the beach side. The developers are asking for more financing to build an Embassy Suites for conferences. The City Council is set to hold a public hearing on the proposal and vote on it March 7. Cavalier Associates LLC is investing more than \$300 million in the Cavalier project, including more than \$90 million in private equity, to build homes, two new hotels, townhouses, condos and a beach club on the east side. “As the partners like to say, this is real hard cash,” said Cavalier Associates LLC’s attorney R.J. Nutter. “I think it’s the largest amount of private equity in a project in the city’s history.” A percentage of the sales of Cavalier Residences, the new homes being built around the historic hotel, support renovation costs. All 81 lots have been sold, according to Bart Frye, who is heading up the project. Forty-six houses have been sold and 10 are occupied.

The Virginia Tourism Corporation has given preliminary approval for the increase in gap financing for the Cavalier project, city Finance Director Patti Phillips said at the Development Authority’s meeting. The money would come from sales tax generated by the project. The city and the state would each contribute 1 percent quarterly until the loan is paid. The development group also contributes. If the gap financing is increased to \$24.5 million, the city would give \$8.17 million plus interest from the sales tax to the lender. The amount the developers said they needed for the project increased recently when they decided to scrap plans for a timeshare and instead build an Embassy Suites on the ocean side of the property. Three authority members – Bryan Cuffee, who works for Gold Key | PHR; Michael Levinson, who has an ongoing relationship with the principals of Cavalier Associates; and Steve McNulty, who works for TowneBank, a lender on the project – abstained from the vote. The remaining members voted in favor. [Read more.](#)

Council to consider giving Oceanfront resort developers more money

WAVY – February 21, 2017

Cavalier Hotel developer hopeful for state, city funds to pay for Atlantic Avenue redesign, third hotel

Southside Daily – February 21, 2017

Oceanfront developers want to build third hotel at Cavalier site

WTKR – February 21, 2017

“This is about justice”: March for equality at Oceanfront will shut down 40 blocks of Atlantic Ave.

The Virginian-Pilot – February 22, 2017

A group of ministers calling for an end to what it sees as “a culture of discrimination and cronyism in Virginia Beach” is planning a march Saturday that will shut down 40 blocks of Atlantic Avenue at the Oceanfront – the heart of the area’s tourist strip. The intent of the demonstration, called the Faith, Freedom and Justice March, is to send a message to public officials to examine whether the city awards enough contracts to minorities. Leaders say the gathering will be historic and the first of its kind since the

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city merged with Princess Anne County during the Civil Rights Movement. The movement started with Bruce Smith, a former NFL football player who wrote a letter about racial inequality to the mayor last November. He asked the city to do a disparity study to determine if minority-owned businesses have an equal opportunity to do business at the Oceanfront. James Allen, president of the Virginia Beach Interdenominational Ministers Conference, said the march is being held to remind council members that they serve the general public. Mayor Will Sessoms said Tuesday during a council workshop that he supports doing a disparity study after several months of rejecting the need for one. That won't stop the ministers from marching.

The Virginia Beach Interdenominational Ministers Conference applied for an event permit on Feb. 10. The application has been approved and the ministers estimate 1,000 people will attend. The city said it will finalize the permit by the end of the week. The march will begin at 11 a.m. at Rudee Loop – the city-owned land that Smith wants to develop. It will end at 40th Street at 1 p.m. near The Cavalier Hotel. People can begin arriving at 9:30 a.m. Marchers will walk past at least two dozen hotels on the way. “I would say it is a historic moment,” said Georgia Allen, past president of the Virginia Beach chapter of the National Association for the Advancement of Colored People. “I have never seen a march like this.” Gary McCollum, one of the ministers organizing the march, said people in the community are fed up with a lack of a level playing field for everyone. Many small businesses led by people of all races are not getting a fair shake at city contracts. “This is about justice,” he said. “This is standing up to a system that doesn't work in the best interest of all citizens.” Allen said the African-American community is coming together more than it has in the past. McCollum said since Smith spoke out, others have asked how they can make their voices heard, too. “The level of engagement is rising in Virginia Beach and across the country,” McCollum said. Smith who plans to march, said the movement is bigger than him. The Minority Business Council, Human Rights Council and Virginia Beach Vision have endorsed a study. Jessica Abbott and Ben Davenport were the first council members to say they supported a traditional review. [Read more.](#)

Va. Beach Mayor Will Sessoms to recommend disparity study

WVEC – February 21, 2017

Mayor Will Sessoms said he will make a recommendation to move forward with a full disparity study after backlash from community leaders. Former State Senate candidate Gary McCollum and leaders of the Interdenominational Ministers Conference are organizing a march at the Oceanfront as a call to end an alleged culture of cronyism and discrimination against women and minority business owners in Virginia Beach. “We know that there's not a level playing field. There are certain people who are politically connected who get deals and get things that frankly everyone else doesn't,” McCollum said. “This is a conversation that has been going on in a lot of communities— and not just the African American community— for decades,” Reverend James Allen said.

The issue became a hot topic after NFL great Bruce Smith called out the City and urged the mayor to conduct a racial disparity study. The City eventually decided to move forward with a shorter version of a disparity study, broken down in two phases. Community leaders still weren't pleased. “If I went to a doctor and the doctor said, ‘Well, I'm just going to give you a partial exam,’ that would be malpractice. And we see the same thing going on now with the mayor and city council,” McCollum said. Tuesday, Sessoms told 13News Now he will support a full study by adding a third phase. “Candidly, I've been one that has not supported a full study because I really believe the city of Virginia Beach has been doing the right thing. I think we acknowledged we have an issue and we've been dealing with it and our numbers have continued to get better. I believe the perception is that we're not doing a good enough job, as such I will recommend to council with the backing of staff that we move forward with a full disparity study,” he said. [Read more.](#)

Facing backlash from community, Virginia Beach agrees to study whether enough city contracts given to minorities

The Virginian-Pilot – February 21, 2017

Virginia Beach passes \$150 service charge for excessive non-emergency 911 calls

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